GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:7867
ANSWERED ON:17.05.2002
CORPORATISATION OF IDBI
IQBAL AHMED SARADGI

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have put together a detailed road map for the corporatisation of IDBI within this fiscal year;

(b) if so, whether under this package, the IDBI`s loans worthRs. 2,200 crore with the RBI and IBRD, a World Bank outfit arelikely to come under the charge of the Union Government;

(c) if so, whether the Government have decided that it would issue a 20 year maturity bonds to the RBI for Rs. 1,200 crore; and

(d) if so, the other steps the Union Government propose to take in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a): Government propose to make legislative changes to corporatise IDBI within this fiscal year to provide it appropriate flexibility.

(b) to (d) : Government have recently taken over from RBI NIC-LTOloan portfolio funds given to IDBI,SIDBI, Exim Bank and IIBI of and has correspondingly issued GOI securities in favour of RBI.The transaction has been done in such a way as to be cash neutral. Simultaneously, GOI has also subscribed to 8% 20 year convertiblebonds of these financial institutions amounting to Rs 4038.07 crore (of which IDBI`s share is Rs.1157.02 crore.)Government has also converted its IBRD line of Credit to IDBI of a balance amount of Rs 973.48 crore into 20 year convertible bonds in a budget neutral manner.